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Association of
Former
Intelligence
Officers



77-317
77-3170

18 January 1977

Mr. George Bush
Director of Central Intelligence
Washington, DC 20505

Dear George,


It has come to my attention that the Tax Reform Act of 1976 (P.L. 94-455), approved October 4, 1976, has an important effect on many CIA retirees. I refer to those provisions which impact on disability retirees by removing the prior sick-pay exclusion retroactive to 1 January 1976.

I understand that CIA has been advised by the Civil Service Commission of how the Internal Revenue Service views the effect of such changes in the law. Since the Central Intelligence Agency Retirement Act of 1964 has been the subject of a number of specific IRS rulings, we believe CIA could be of help to many of its retirees by providing them with the IRS position as well as any additional advice your staff may have developed. Many are in remote areas or otherwise not fully aware of these new provisions and the IRS view.

We would be pleased to publish that guidance in the February issue of our newsletter for the benefit of our membership. It would appear that with little effort, each of the affected retirees could given this bit of assistance which would a recognition of their former service and serve as a reminder that they have not been forgotten by the agency.

In addition to this tax-related matter, a short explanation of of the January 6, 1977 Executive Order with respect to Cost of Living Adjustments would be helpful to all retired agency employees.

Cordially,


David Atlee Phillips
President

EXECUTIVE SECRETARIAT

Routing Slip

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| 1 | 4 DCI | | ✓ | | |
| 2 | DDCI | | | | |
| 3 | D/DCI/IC | | | | |
| 4 | DDS&T | | | | |
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| 9 | GC | ✓ | | | |
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| 12 | Compt | | | | |
| 13 | D/Pers | | | | |
| 14 | D/S | | | | |
| 15 | DTR | | | | |
| 16 | Asst/DCI | | | | |
| 17 | AO/DCI | | | | |
| 18 | C/IPS | | | | |
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SUSPENSE _____ Date _____

Remarks:
 Respond directly.

D/Executive Secretary
 21-1-77
 Date

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